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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/788,302	02/15/2001	Gregory Sheldon	TI11-001	1499
21567	7590	07/18/2006	EXAMINER	
WELLS ST. JOHN P.S. 601 W. FIRST AVENUE, SUITE 1300 SPOKANE, WA 99201			LASTRA, DANIEL	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 07/18/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/788,302

Applicant(s)

SHELDON ET AL.

Examiner

DANIEL LASTRA

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 March 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-6 and 8 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-6 and 8 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-6 and 8 have been examined. Application 09/788,302 (Integrated frequency and award redemption program for installment based receivables behavior modification and customer loyalty management) has a filing date 02/15/01.

Response to Amendment

2. In response to Non Final Rejection filed 09/26/2005, the Applicant filed a Request for Reconsideration and Rule 131 or 132 Affidavits on 03/27/2006.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-6 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Early Payment in view of Lawlor (US 5,870,724) and further in view of Storey (US 6,578,012).

As per claims 1, 3, 4 and 6, Early Payment teaches:

A lender-based method for implementing an on-line incentive program for selected members who are making installment payments, said method comprising:

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Identifying at least one selected member making installment payments as a candidate for an incentive program to affect behavior (see Early Payment paragraphs 1-4)

providing a lender-based Internet webpage accessible to at least one selected member, via a computer system, for on-line interactive communications between said selected member and said lender-based Internet webpage (see Lawlor column 44, lines 7-12);

offering, on said lender-based Internet webpage, installment payment schedule information to said selected member (see Lawlor column 44, lines 7-12);

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system (see Storey column 6, lines 12-59);

providing said selected member notice of eligibility for the incentive program (see Storey column 6, lines 12-25);

receiving an enrollment request from said selected member (see Storey column 6, lines 25-37);

receiving identifier data and payment behavior data of the selected member (see Early Payment paragraphs 1-5);

determining whether said selected member qualifies for one or more awards based on said selected member payment behavior data (see Early Payment paragraphs 1-5). Early Payment does not teach that said awards are non-cash award points and calculating said non-cash award points according to a preprogrammed formula if said selected member qualifies for said non-cash award points and issuing said non-cash

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award points to an account of the selected member if the selected member qualifies for said non-cash award points, wherein said non-cash award points are redeemable by the selected member for a non-cash award. However, Storey teaches an incentive program where members earn non-cash award points based upon said member's payment information (see Storey column 6, lines 12-25). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that payees (such as utilities, mortgagors or customers of Longtime Wellborn Paint; see Early Payment paragraph 1) would participate in the Lawlor's system to be able to transmit electronic bills to customers and receive electronic payment from said customers (see Lawlor column 15, lines 45-52) and would use the Storey's system to be able to send said customers a message identifying how many points said customers would earn by enrolling in said payee's on-time payment incentive program. For example, the Early Payment's payee would use the Storey's system to send a customer participating in the Lawlor's online banking system a message such as "By enrolling in the on-time incentive program you will earn X points for" (see Storey column 6, lines 12-25) [paying your bills on-time] (see Early Payment paragraph 2). Payees, such as Longtime Wellborn Paint (see Early Payment paragraph 1) would be motivated to enroll in the Lawlor's online banking system because this would avoid said payee the processing costs of mailing bills to customers and receiving payment from customers (see Lawlor column 15, lines 1-53) and said payee would be motivated to enroll in the Storey's incentive program as this would allow said payee to offer said customers an incentive program, which would give said customers awards points for said customers'

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payment behavior, such purchasing certain items (see Storey column 6, lines 20-25) or paying said payee's bills on-time (see Early Payment paragraph 1). Customers would be motivated to enroll in the Lawlor's online banking system as this would allow said customers to pay a payee's bills electronically avoiding the cost and time of mailing said payment (see Lawlor column 15, lines 10-35) and said customers would be motivated to enroll in the Early Payment and Storey's incentive program as this would allow said customers to earn awards credit for paying said payee's bills on-time (see Early Payment paragraph 1) and use said earned credit to purchase other products from an award catalog (see Storey abstract).

As per claims 2 and 5, Early Payment teaches:

A lender-based method for implementing an on-line incentive program for selected members who are making installment payments as recited in claim 1, but fails to teach said method further comprising the step of offering, on said lender-based Internet webpage, electronic installment payment capability to said selected member. However, Lawlor teaches a method that offer to a member on a bank Internet webpage, electronic installment payment capability to said member (see Lawlor figures 16A and 16B; column 44, lines 7-12). Therefore, the same argument made in claim 1 is made in 2 and 5.

As per claim 8, Early Payment teaches:

A lender-based method for implementing an on-line incentive program for selected members who are making installment payments as recited in claim 1, and

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further wherein the payment behavior data is one or more timely installment payments (see Early Payment paragraphs 1-4).

Response to Arguments

4. Applicant's declaration of the inventors under 37 C.F.R. 1.131, filed 03/27/2006, with respect to the Marshall reference have been fully considered and are persuasive, therefore, the Marshall reference has been withdrawn.

Applicant's arguments filed 03/27/2006 have been fully considered but they are not persuasive. The Applicant argues that the Examiner has not shown any motivation or suggestions in the references to make the combination of using Lawlor as a base system and combine it with Early Payment and Storey. The Examiner answers that Applicant's main invention is determining whether a customer qualifies for one or more awards based on said customer payment behavior data, such as said customer making one or more timely installment payments. Early payment teaches the Applicant's claimed invention of providing customers an award for paying on time. However, Early Payment does not teach the system which allow customers to make installment payments and also, Early Payment does not teach the system which allow to manage an Incentive system which gives customers awards points for a purchasing behavior. Therefore, the Examiner use the Lawlor reference to teach a system which allows customer to make installment payments (see Lawlor column 44, lines 7-12) and the Storey reference to teach an incentive system which awards points to customer for purchasing behavior (i.e. purchasing an specific item; see Storey column 6, lines 20-25). Therefore, as already cited in claim 1, it would have been obvious to a person of

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ordinary skill in the art at the time the application was made, to know that payees (such as utilities, mortgagors or customers of Longtime Wellborn Paint; see Early Payment paragraph 1) would participate in the Lawlor's system to be able to transmit electronic bills to customers and receive electronic payment from said customers (see Lawlor column 15, lines 45-52) and would use the Storey's system to be able to send said customers a message identifying how many points said customers would earn by enrolling in said payee's on-time payment incentive program. For example, the Early Payment's payee would use the Storey's system to send a customer participating in the Lawlor's online banking system a message such as "By enrolling in the on-time incentive program you will earn X points for" (see Storey column 6, lines 12-25) [paying your bills on-time] (see Early Payment paragraph 2). Payees, such as Longtime Wellborn Paint (see Early Payment paragraph 1) would be motivated to enroll in the Lawlor's online banking system because this would avoid said payee the processing costs of mailing bills to customers and receiving payment from customers (see Lawlor column 15, lines 1-53) and said payee would be motivated to enroll in the Storey's incentive program as this would allow said payee to offer said customers an incentive program, which would give said customers awards points for said customers' payment behavior, such as purchasing certain items (see Storey column 6, lines 20-25) or paying said payee's bills on-time (see Early Payment paragraph 1). Customers would be motivated to enroll in the Lawlor's online banking system as this would allow said customers to pay a payee's bills electronically avoiding the cost and time of mailing said payment (see Lawlor column 15, lines 10-35) and said customers would be motivated to enroll in the Early

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Payment and Storey's incentive program as this would allow said customers to earn awards credit for paying said payee's bills on-time (see Early Payment paragraph 1) and use said earned credit to purchase other products from an award catalog (see Storey abstract).

Conclusion

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-6720. The examiner can normally be reached on 9:30-6:00.

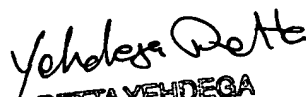
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W. STAMBER can be reached on 571-272-6724. The Examiner's Right fax number is 571-273-6720.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Daniel Lastra
May 22, 2006


RETTA YEHDEGA
PRIMARY EXAMINER